

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

CALIFORNIA-OREGON TRANSMISSION PROJECT

SCHEDULE OF RATE FOR POINT-TO-POINT TRANSMISSION SERVICE

Effective:

October 1, 2011, through September 30, 2019.

Available:

Within the marketing area served by the Western Area Power Administration (Western),
Sierra Nevada Customer Service Region.

Applicable:

To customers receiving California-Oregon Transmission Project (COTP) firm and/or
non-firm point-to-point (PTP) transmission service.

Character and Conditions of Service:

Transmission service for three-phase, alternating current at 60-hertz, delivered and metered
at the voltages and points of delivery or receipt, adjusted for losses, and delivered to points of
delivery. This service includes scheduling and system control and dispatch service needed to
support the transmission service.

Formula Rate:

The formula rate for COTP firm and non-firm PTP transmission service includes three
components:

Component 1:

<u>COTP Transmission Revenue Requirement (TRR) Western's COTP Seasonal Capacity</u>

Where:

COTP TRR = COTP Seasonal TRR (Western's costs associated with facilities that support the transfer capability of the COTP).

Western's COTP Seasonal Capacity = Western's share of COTP capacity (subject to curtailment) under the current California-Oregon Intertie (COI) transfer capability for the season. The three seasons are defined as follows: Summer-June through October; Winter-November through March; and Spring-April through May.

Western will update the rate from Component 1 for COTP firm and non-firm PTP transmission service at least 15 days before the start of each COI rating season. Rate change notifications will be posted on Western's Open Access Same-Time Information System website.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. The FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, Western will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner Western is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Component 3:

Any charges or credits from the Host Balancing Authority (HBA) applied to Western for providing this service will be passed through directly to the relevant customer in the same manner Western is charged or credited to the extent possible. If the HBA's costs or credits cannot be passed through to the relevant customer in the same manner Western is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

The formula rate above applies to the maximum amount of capacity reserved for periods ranging from 1 hour to 1 month, payable whether used or not. Billing will occur monthly.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement.

Adjustment for Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.